

# Rising School Enrollment among Teens and Young Adults in Los Angeles

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## Introduction

College enrollment has become a primary objective of both high school as well as teen and young adult workforce investment efforts around the nation. During the spring of 2015, nearly 3 million students earned their high school diploma and began their transition into a new phase of life where these new graduates must begin to take greater personal responsibility for their choices and a time when some of the most important life choices will be made. More than 2 million of these new high school graduates opted to enroll in a post-secondary program of some type in the fall term following their graduation from high school. In the fall of 2015, 69 percent of all new high school graduates enrolled in college, with the overwhelming majority (90+ percent) opting to enroll on a full-time basis, most often in a four-year college or university (63 percent).<sup>1</sup> An even higher fraction of these new high school graduates will enroll in college as some of these new high school graduates, who delay enrollment in college for a variety of reasons, find their way to college.

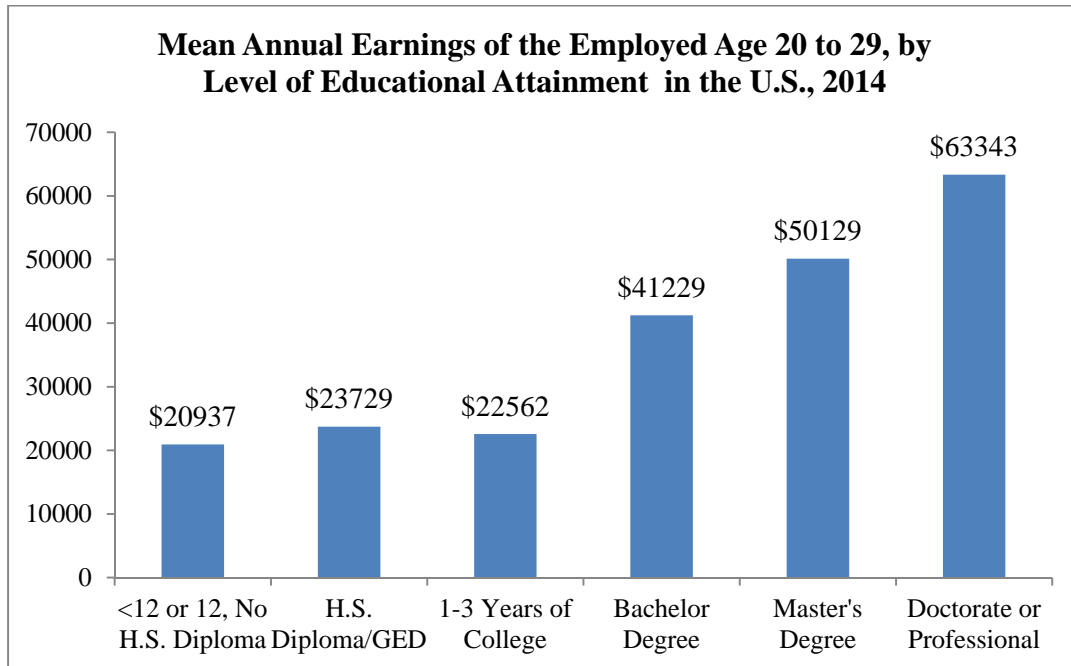
The very high college enrollment rate among high school graduates is unsurprising given the employment and earnings advantages associated with earning a college degree or certificate. The chance that a young adult (aged 20-29) will be employed is closely connected to their level of educational attainment and when employed those who earn a college degree have much higher earnings than those who do not. During 2015, employed young adults with a just bachelor's degree had mean annual earnings of \$41,200; a level of earnings more than 70 percent greater than that of their counterparts with just a high school diploma. Young adults with an advanced degree have even larger earnings advantages.

College graduates have employment and earnings trajectories that are much different than those with fewer years of schooling. Their sizable advantages as young adults grow much larger over their working lifetime; they have a longer working lifetime and work in positions that are much more likely to provide non-wage compensation such as medical and retirement program contributions. College graduates live longer healthier lives and are much more likely to raise

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<sup>1</sup> U.S. Bureau of Labor Statistics, "College Enrollment and Work Activity of 2015 High School Graduates," *Economic News Release*, USDL 16-0822, April, 2016

their children in stable family households that in turn raise the chances of life success for their children.<sup>2</sup>



Source: U.S. Bureau of the Census, 2015 March Current Population Survey, Public Use Microdata Sample, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

This paper examines school enrollment developments as part of a larger study of disconnected youth in Los Angeles. Schooling is among the most important human capital development activities that teens and young adults can undertake. Schooling develops fundamental literacy, numeracy and problem solving proficiencies as well as knowledge in specific disciplines ranging from automotive repair to zoology that are often connected to occupational fields valued in the labor market.

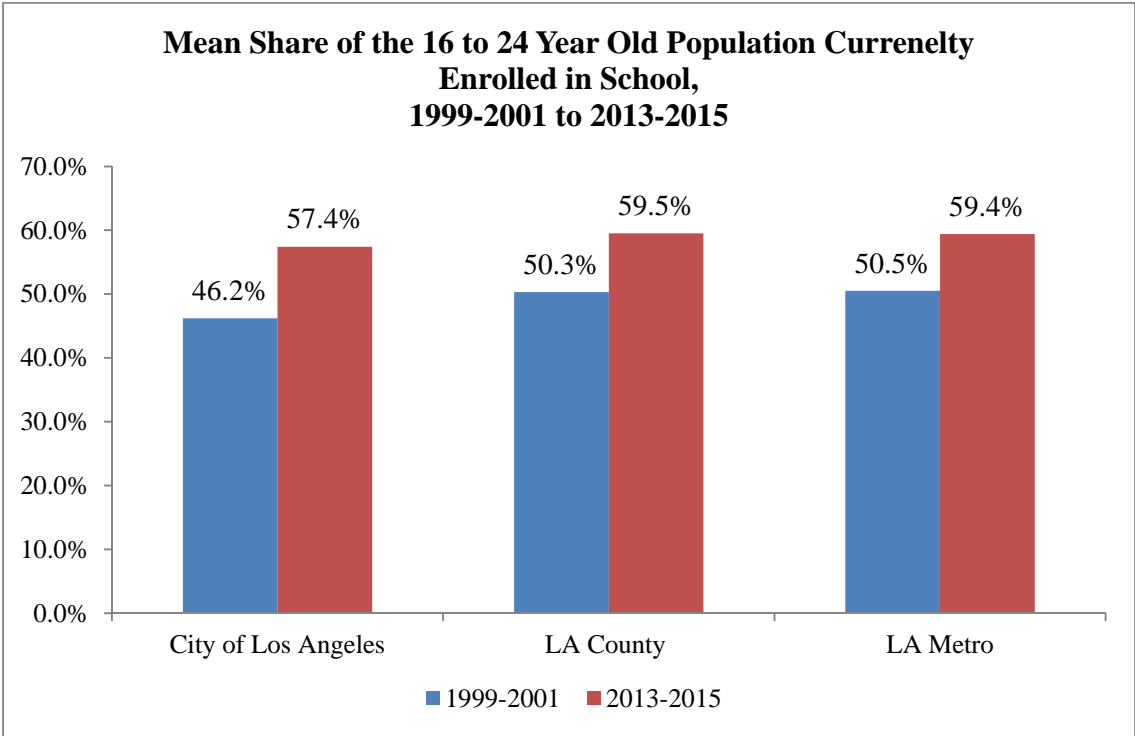
This paper examines trends in school enrollment activities of the 16- to 24-year-old resident population of the city of Los Angeles, Los Angeles County (LA County) and the Los Angeles region including Los Angeles and Orange Counties (Metro LA). We find very sizable increases in school enrollment rates among 16 -to 24-year-old residents. This increase in the share of teens and young adults who stay in school at both the secondary and postsecondary level is a fundamental force in reducing the share of disconnected teens and young adults in the greater

<sup>2</sup> Jaison R. Abel and Richard Deitz, “Do the Benefits of College Still Outweigh the Costs?” *Current Issues in Economics and Finance*, Federal Reserve Bank of New York, Vol. 20 Number 3, 2014; Charles Murray, *Coming Apart: The State of White America*, Random House, New York 2012; Martha J. Bailey and Susan M. Dynarski, *Gains and Gaps: Changing Inequality in U.S. College Entry and Completion*, National Bureau of Economic Research Working Paper 17633, Cambridge, MA, 2011.

Los Angeles area over the past fifteen years and in reducing the human capital skills gap among young people in the region. Unless otherwise noted the data utilized in this paper are tabulations produced by the authors from the U.S. Bureau of the Census Current Population Survey, public use microdata files for the months for the 1999-2001 and 2013-2015 period.

### School Enrollment in Developments in Los Angeles

The proportion of teens and young adult residents who were enrolled in school in the city of Los Angeles, LA County and the Metro LA region has increased sharply over the past fifteen years. During 1999-2001, an average of just 46 percent of those aged 16 to 24 living in the city were enrolled in school, but by 2013-2015, the mean proportion of teens and young adult residents in LA city increased to 57 percent, a near one-quarter increase in the relative size of the teen and young adult school enrollment rate. LA County saw its school enrollment rate rise from 50.3 percent to 59.5 percent, a relative increase of 18 percent and the Metro LA region had a very similar rise in the share of its 16- to 24-year-old residents enrolled in school.



Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

Enrollment rates increased both for teens aged 16 to 19 as well as for young adults aged 20 to 24. The rise in LA school enrollment rates was especially large among 20 to 24 year old

young adult residents. In 1999-2001, 27.6 percent of young adults were enrolled in school, but this proportion skyrocketed in the following years; rising to 41.0 percent by 2013-2015, a relative increase of nearly 50 percent over the period. The share rise in school enrollment rates of young adult residents of Los Angeles eliminated the substantial school enrollment rate gap that existed in 1999-01 between young adults in the city, and LA County and Metro LA region.

The teen school enrollment rate has also increased substantially since 1999-2001. During 1999-2001, about 71 percent of all city residents aged 16 to 19 were enrolled in school in the spring term, but this proportion rose to 82 percent by 2013-2015, a similar proportion to that observed for the county and metro region. At least part of this rise is associated with rising high school completion rates that have occurred in recent years.

Table 1:  
Trends in School Enrollment Rates of the 16- to 24-Year-Old Resident Population, by Age, 1999-2001 to 2013-2015

Age 16-19		
	1999-2001	2013-2015
City of Los Angeles	71.4%	82.2%
LA County	74.0%	80.7%
LA Metro	73.7%	80.2%
Age 20-24		
	1999-2001	2013-2015
City of Los Angeles	27.6%	41.0%
LA County	30.7%	44.4%
LA Metro	31.3%	44.3%

Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

The considerable increase in school enrollment rates among the resident 16- to 24-year-old population in Los Angeles was especially fueled by a rise in the share of males that enrolled in school. During the 1999-2001 period a substantial gender gap existed in the city's school enrollment rates. At that time, 48.8 percent of females aged 16 to 24 were enrolled in school compared to just 43.8 percent of males, so females were 1.11 times more likely to enroll in school than their male counterparts at that time. Both the male and female enrollment rate increased in the following years with the male enrollment rate rising to 57.2 percent, a relative rise of 30 percent, while the female enrollment rate increased to 57.7 percent, a relative rise of 18 percent in the proportion of teen and young adult females enrolled in school. The very sharp rise in enrollment rates of male teen and young adult residents in the city resulted in the virtual

elimination of the gender gap in the school enrollment rate over the past fifteen years in Los Angeles. Modest gender gaps in LA County and metro Los Angeles still persist with a somewhat greater proportion of teen and young adult females enrolled in school than males.

Table 2:  
Trends in School Enrollment Rates of the 16 to 24 Year  
Old Resident Population, by Age, 1999-2001 to 2013-2015

Male		
	1999-2001	2013-2015
City of Los Angeles	43.8%	57.2%
LA County	49.5%	57.4%
LA Metro	49.5%	56.8%
Female		
	1999-2001	2013-2015
City of Los Angeles	48.8%	57.7%
LA County	51.1%	61.7%
LA Metro	51.5%	62.1%

Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

Enrollment rates for foreign-born teens and young adults were much lower than their native-born counterparts during 1999-2001. At that time, just over one in three foreign-born teens and young adults were enrolled in school; but that share rose sharply in the intervening

Table 3:  
Trends in School Enrollment Rates of the 16 to 24 Year  
Old Resident Population, by Nativity Status, 1999-2001 to 2013-2015

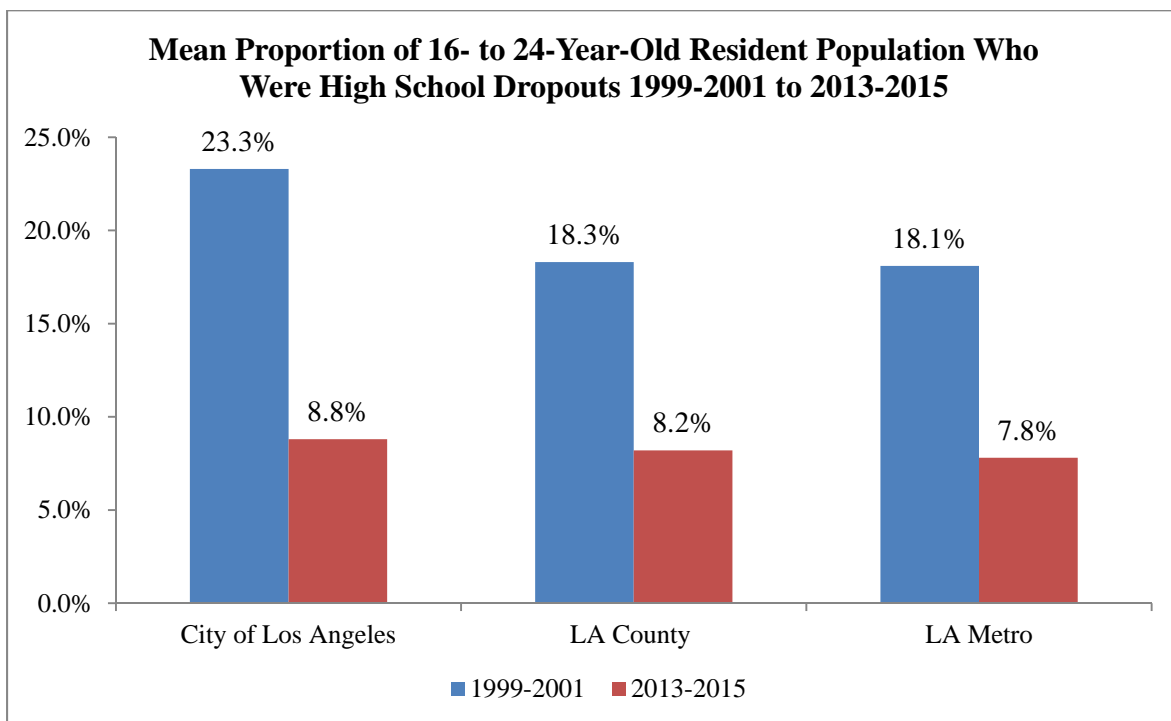
Native Born		
	1999-2001	2013-2015
City of Los Angeles	56.0%	58.7%
LA County	55.7%	60.5%
LA Metro	56.2%	60.7%
Foreign Born		
	1999-2001	2013-2015
City of Los Angeles	34.1%	51.7%
LA County	40.1%	53.8%
LA Metro	39.5%	52.3%

Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

years to reach an enrollment rate of 51.7 percent for foreign-born students. This sharp increase narrowed the enrollment rate gap between foreign-born and native-born youth by about 60 percent over the period. Similarly large increases in the foreign born enrollment rate occurred in

LA County and the metropolitan Los Angeles as a whole over this period of time. LA County saw enrollment rates of foreign born teen and young adults residents rise sharply from 40.1 percent to 53.8 percent by 2013-2015 a relative rise of more than one-third.

One of the most important impacts of the rising school enrollment rate among teens and young adults in Los Angeles has been a sharp decline in the share of young residents of the city who have dropped out of high school. On average during 1999-2001 we found that nearly one quarter of all Los Angeles resident teens and young adults were not enrolled in school and had not earned a high school diploma or its equivalent—in effect they were high school dropouts. Over the last fifteen years the share of young residents of the city who were not enrolled and had not earned a high school diploma plunged to just 8.8 percent, a nearly two-thirds reduction in the proportion of dropouts in the city’s teens and young adult resident population.



Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

LA County and metropolitan Los Angeles also experienced considerable reduction in their share of young people who had failed to earn a high school diploma, in part the result of the very substantial progress made in reducing dropout shares in the city. LA County saw its dropout share fall from 18.3 percent to 8.2 percent between 1999-2001 and 2013-2015. The overall



metropolitan Los Angeles region had a similar reduction. The result is that in all three areas the share of young people who were not enrolled and had not earned a high school diploma or its equivalent had fallen to about 8 percent by 2013-2015.

While both the teen and young adult resident population in Los Angeles experienced substantial decreases in the proportion that had dropped out of high school, the decline was quite large among the 20- to 24-year-old group, especially in the City of Los Angeles. The share of the 20- to 24-year-resident population who were not enrolled and not earned a high school diploma or its equivalent in the city of Los Angeles fell from 28.7 percent during 1999-2001 to just 8.7 percent during 2013-2015, a relative decline of 70 percent over the period. The share of the young adult population that had dropped out of high school fell in the LA County and metro LA region as well - both of these areas saw their dropout shares of the 20- to 24-year-old population fall to about 8 percent.

Youth aged 16 to 19 who lived in the city saw the proportion of dropouts fall from 15.9 percent during 1999-2001 to 9.0 percent by 2013-2015. LA County and metro LA also experienced large declines in the share of their 16- to 19-year-old population who were not enrolled in school and had not earned a diploma or its equivalent.

Table 4:  
Trends in the Share of the 16- to 24-Year-Old Resident Population Not Enrolled and Not Earned a High School Diploma or Equivalent by Age, 1999-2001 to 2013-2015

16 to 19		
	1999-2001	2013-2015
City of Los Angeles	15.9%	9.0%
LA County	13.4%	9.0%
LA Metro	13.9%	9.4%
20 to 24		
	1999-2001	2013-2015
City of Los Angeles	28.7%	8.7%
LA County	22.5%	7.7%
LA Metro	17.2%	7.2%

Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

Males aged 16 to 24 residing in Los Angeles were considerably more likely to be classified as high school dropouts compared to female residents of the same age during 1999-2001. At that time, one-quarter of the teen and young adult population of males residing in the city had dropped out, compared to about 21 percent for their female counterparts. Young males

in Los Angeles were about 1.2 times more likely to be dropouts than their female counterparts; the dropout gender gaps in both LA County and metro LA were somewhat smaller, with young males between 1.15 and 1.17 times more likely to dropout than young females.

By 2013-2015, the male-female dropout gap was close to eliminated throughout the greater Los Angeles area. The male share of dropouts in the teen and young adult population fell to just 8.4 percent compared to a 9.3 percent dropout share for young female residents of the city. A similar decline and narrowing of these gender gaps occurred in LA County and in the metro LA region.

Table 5:  
Trends in the Share of the 16- to 24-Year-Old Resident Population Not Enrolled and Not Earned a High School Diploma or Equivalent by Gender, 1999-2001 to 2013-2015

Male		
	1999-2001	2013-2015
City of Los Angeles	25.4%	8.4%
LA County	19.7%	8.9%
LA Metro	19.5%	8.5%
Female		
	1999-2001	2013-2015
City of Los Angeles	21.0%	9.3%
LA County	17.0%	7.5%
LA Metro	16.6%	7.1%

Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

Perhaps the most important source of decline in the share of high school dropouts in the Los Angeles young adult population is the decline in the share of dropouts in the foreign born resident population of the area. During 1999-2001 foreign born teen and young adults residing in Los Angeles were very likely to be high school dropouts, with 38.2 percent of the 16- to 24-year-old foreign born population reporting that they were not enrolled in school and had not earned a high school diploma or its equivalent. In LA County and the Metro region this share was 32.7 percent and 33.7 percent, respectively.

The share of foreign born teens and young adults who were classified as high school dropouts fell in half by 2013-2015 in Los Angeles city, LA County and Metro LA. Los Angeles saw its share of 16- to 24-year-old foreign born residents who were dropouts fall from 38.2 percent to 18.6 percent by 2013-15. LA County and Metro LA experienced similar declines in

their respective teen and young adult dropout proportions with their shares falling to 14.8 percent and 14.6 percent, respectively.

Table 6:  
Trends in the Share of the 16- to 24-Year-Old Resident Population Not Enrolled and Not Earned a High School Diploma or Equivalent by Nativity Status, 1999-2001 to 2013-2015

Native Born		
	1999-2001	2013-2015
City of Los Angeles	11.2%	6.7%
LA County	10.7%	7.0%
LA Metro	10.1%	6.6%
Foreign Born		
	1999-2001	2013-2015
City of Los Angeles	38.2%	18.6%
LA County	32.7%	14.8%
LA Metro	33.7%	14.5%

Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

## Educational Attainment of the Enrolled

Los Angeles and the surrounding region have experienced a sharp increase in the proportion of teens and young adults that are enrolled in school. This rise has been especially strong among those aged 20 to 24, males, and foreign born residents. Most of the increase in enrollments appears to have occurred at the post-secondary level. We found that in Los Angeles as overall enrollment rates of the 16- to 24-year-old population have increased over the last fifteen years; much of it has occurred at the post-secondary level.

During 1999-2001 the majority of enrolled Los Angeles residents aged 16 to 24 had not completed high school and presumably were enrolled in either regular high school programs or equivalency programs (although in some—infrequent—instance persons without a high school diploma are enrolled at a post-secondary institution). By 2013-2015 the share of enrolled teens and young adults who had yet to graduate from high school had declined to 40 percent.

The share of those enrolled in school in Los Angeles who had completed a high school course of study rose from 48 percent in 1999-2001 to 60 percent by 2013-2015, resulting in part from gains in high school completion rates. The largest change in the level of educational attainment among enrolled students occurred among those who had completed some college without earning a credential; a group that is composed largely of matriculating undergraduate

students. The share of enrolled persons in the city who have earned a bachelor's degree also increased over the last fifteen years.

Table 7:  
Distribution of Enrolled Residents Aged 16 to 24, by Level of Educational Attainment, 1999-2001 to 2013-2015

City of Los Angeles		
	1999-2001	2013-2015
<12 or 12, No H.S.		
Diploma	52%	40%
H.S. Diploma/GED	12%	14%
Some College	33%	39%
Bachelor or Higher Degree	4%	6%
Total	100%	100%
LA County		
	1999-2001	2013-2015
<12 or 12, No H.S.		
Diploma	63%	50%
H.S. Diploma/GED	11%	13%
Some College	23%	33%
Bachelor or Higher Degree	2%	3%
Total	100%	100%
Metro LA		
	1999-2001	2013-2015
<12 or 12, No H.S.		
Diploma	49%	39%
H.S. Diploma/GED	12%	13%
Some College	37%	43%
Bachelor or Higher Degree	3%	4%
Total	100%	100%

Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

Similar upward shifts in the level of educational attainment occurred in both LA County and in the Metro LA region. Among enrolled teens and young adults, the fraction of enrolled persons who had earned at least a high school diploma rose sharply from 37 percent in 1999-2001 to 50 percent by 2013-2015. In the LA metropolitan region, the share of enrolled 16- to 24-year-olds with a high school diploma or higher rose increased from 51 percent in 1999-2001 to 61 percent in 2013-2015.

Postsecondary enrollment among the 16- to 24-year-old population seems to have grown considerably over the past fifteen years and accounts for the rise in the overall enrollment rate we have observed among young people in the region, especially those aged 20 to 24. Data on enrollment developments among local colleges and universities located in Los Angeles County (and in California in general) support the view that much of the gain in enrollments has occurred at the postsecondary level. Trends in local college enrollments are examined below.

## **Trends in Local College Enrollments**

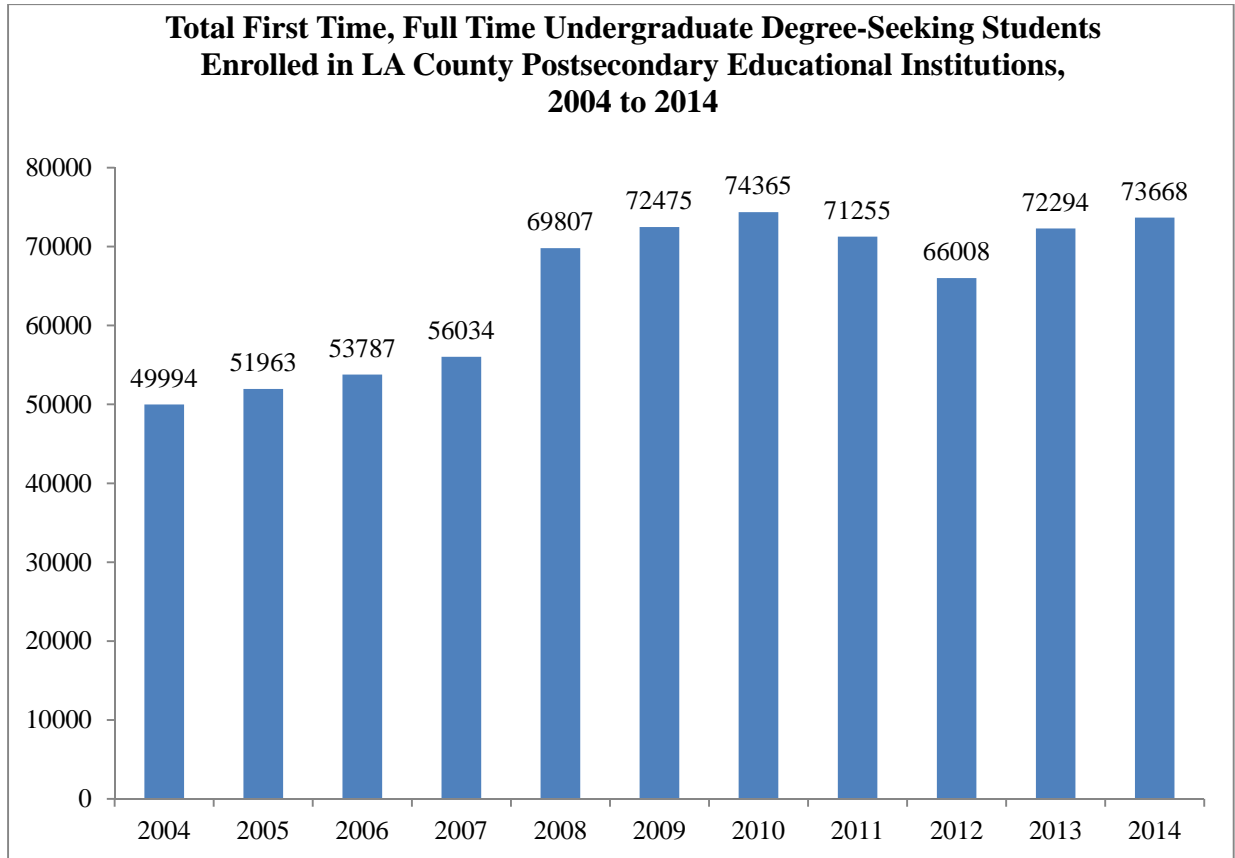
The size of the LA County’s college ‘entering freshman class’ has increased substantially over the last decade, but with some fluctuation in that trend in more recent years. The data in the chart below traces the number of students who enrolled in what is colloquially thought of as the aggregate LA County College ‘entering freshmen class.’ The chart includes fall enrollment data for every LA County postsecondary educational institution for each year between 2004 and 2014. Students included in this enrollment measure of the ‘entering freshman class’ are restricted to those students who are:

- enrolled in college for the first time (no prior enrollment)
- are enrolled as full-time students, and
- are matriculating students, that is, they are enrolling in school with the purpose of earning a degree or certificate.

The data discussed in this section of the paper are derived from administrative reports that are required by the U.S. Department of Education from all postsecondary institutions that participate in federal financial aid programs. We identified all colleges in LA County that participate in the federal financial aid system and accessed their individual institutional annual reports that are available in the DOE’s Integrated Postsecondary Education Data System (IPEDS). We used these annual IPEDS reports from each college in LA County to compile our measures of trends in first-time full-time matriculating undergraduate students—the entering freshman cohort—for the County.

We found that the entering freshman cohort in LA County has increased from just fewer than 50,000 newly enrolled college students in 2004 to about 73,700 students by 2014. This represents a 47 percent increase in the size of the number of entering freshmen matriculating in county colleges, universities, and other post-secondary institutions. The pace of growth in the

size of the entering freshman class was quite rapid compared to the rest of California, where the size of the entering freshman cohort rose by 33 percent. Thus, postsecondary institutions in LA County saw their entering freshman class cohort increase in size at a rate that was equal to 1.42 times the rate of growth observed in institutions located within California and outside of LA County.



Source: National Center for Education Statistics, U. S. Department of Education, Integrated Post-Secondary Data Systems (IPEDS), tabulations by Center for Labor Markets and Policy, Drexel University, Philadelphia.

Four-year colleges and universities, both public and private combined, saw the size of their entering freshman cohort increase from a 27,300 students during 2004 to 40,200 students by 2014, a gain of 12,900 students over the decade. However, most of this increase was concentrated among the County’s public four-year institutions which saw their entering freshman cohort increase by 9,600 students, representing a relative increase of 70 percent in just ten years. Private not-for-profit colleges increased their entering cohorts more modestly; with a 17 percent gain (about 1,800 students) over the decade, while the for-profit private colleges added about 1,300 students, increasing the size of their entering freshman cohorts by 45 percent.

Table 8:  
Trends in the Size of the First-Time, Full-Time Undergraduate Degree-Seeking  
Student Population Enrolled in LA County Post-Secondary Educational  
Institutions, by Level and Sector, 2004 to 2014

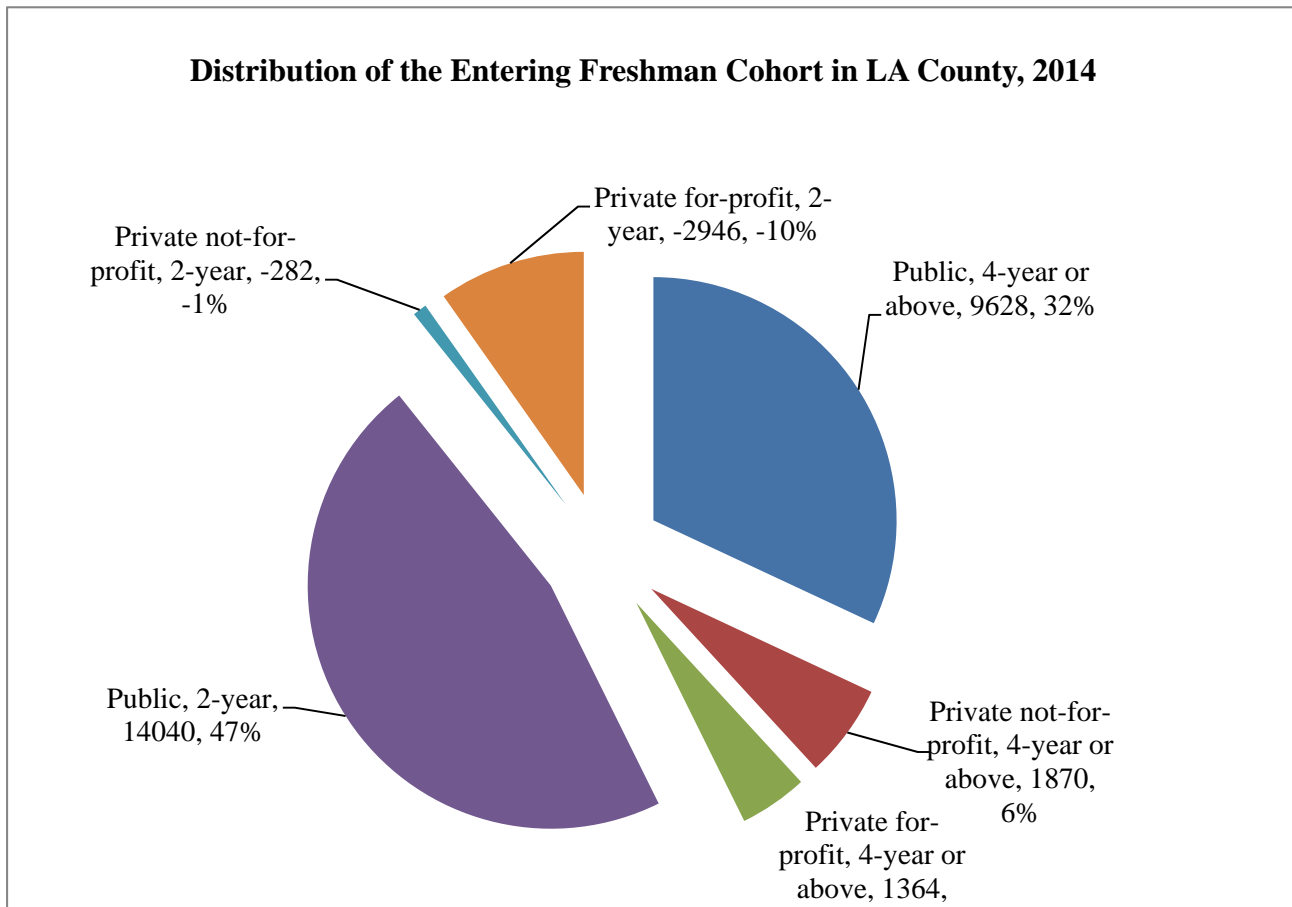
	2004	2014	Absolute Change	Relative Change
Public, 4-year or above	13,794	23,422	9,628	69.8%
Private not-for-profit, 4-year or above	10,488	12,358	1,870	17.8%
Private for-profit, 4-year or above	3,054	4,418	1,364	44.7%
Public, 2-year	14,601	28,641	14,040	96.2%
Private not-for-profit, 2-year	934	652	-282	-30.2%
Private for-profit, 2-year	7,123	4,177	-2,946	-41.4%
Total	49,994	73,668	23,674	47.4%

Source: National Center for Education Statistics, U. S. Department of Education, Integrated Post-Secondary Data Systems (IPEDS), Tabulation by Center for Labor Markets and Policy, Drexel University, Philadelphia.

Public two-year colleges in LA County experienced a near doubling in the size of their combined entering freshman cohort over the last ten years. In the fall of 2004 two-year public colleges in LA County enrolled a combined 14,600 students into their entering freshman cohorts. By 2014 the size of their combined entering freshman cohorts reached 28,600 an increase of 96 percent. In marked contrast, private for-profit as well as non-profit two-year colleges in LA County experienced sizable declines in the size of their entering freshman cohorts posting respective declines of 41 percent and 30 percent over the decade.

Community colleges were the largest and most rapidly growing source of access into the higher education system in the County for new college freshmen. During 2014 nearly one-half (47 percent) of the County's entering freshman class enrolled at a community college. Four-year public colleges accounted for about one-third of all freshman cohort enrollments. By design, community colleges are organized to serve the local population, while four-year institutions more often serve statewide, regional, and in some instances national and international student populations. While no data are available to us from IPEDS or other administrative sources to determine the locality of origin of matriculating students, we suspect that the rise in the enrollment share of teen and young adult residents of Los Angeles County observed earlier in this paper is closely connected to the rise in the size of the County's entering freshman cohort in

the last decade.



Source: National Center for Education Statistics, U. S. Department of Education, Integrated Post-Secondary Data Systems (IPEDS), Tabulation by Center for Labor Markets and Policy, Drexel University, Philadelphia.

Large and rising concentrations of new students in community colleges is a source of concern to some observers because of the relatively low share of community college students among entering freshman cohorts that earn a degree or certificate award. In the U.S. as a whole only about one-fifth of those who enter a community college are awarded a degree or certificate within three years of their date of entry (150 percent of the expected time of graduation at two-year colleges). The community college cohort graduation rate in the U.S. has been declining in recent years, falling from 23.6 percent with the entering 2000 cohort to 19.5 percent for the entering 2010 cohort, the last year for which national data are available.<sup>3</sup>

Four-year colleges in the U.S. have cohort graduation rates that are, on average, three times greater than those found in community colleges. The six year graduation rate (150 percent

<sup>3</sup> National Center for Education Statistics, *Digest of Education Statistics, 2014*, U.S. Department of Education. Chapter 3, various tables



of expected time to graduation) of the 2007 entering freshman cohort at all four-year colleges in the U.S. was 59.4 percent; a modest increase from the 57.5 percent six year graduation rate for the 2000 entering freshman cohort at four-year colleges.<sup>4</sup>

Given the important role that community colleges play in Los Angeles in providing access to opportunities to earn a college degree or certificate, we have, once again, used administrative records submitted by LA County community colleges to gain insight into local completion rates for the entering cohort of freshman. As part of IPEDS reporting, each community college is required to track its entering freshman cohort for a three year period after initial enrollment to determine their degree or certificate completion and transfer status at the end of that three year period.

Our analysis of the IPEDS administrative reports for LA County two-year public institutions reveal that for the 2011 entering freshman cohort (the most recent cohort for which three year completion data are available) the three year graduation rate averaged 30 percent or about 50 percent greater than the national average two-year public cohort graduation rate and equal to the statewide two-year public completion rate for California.

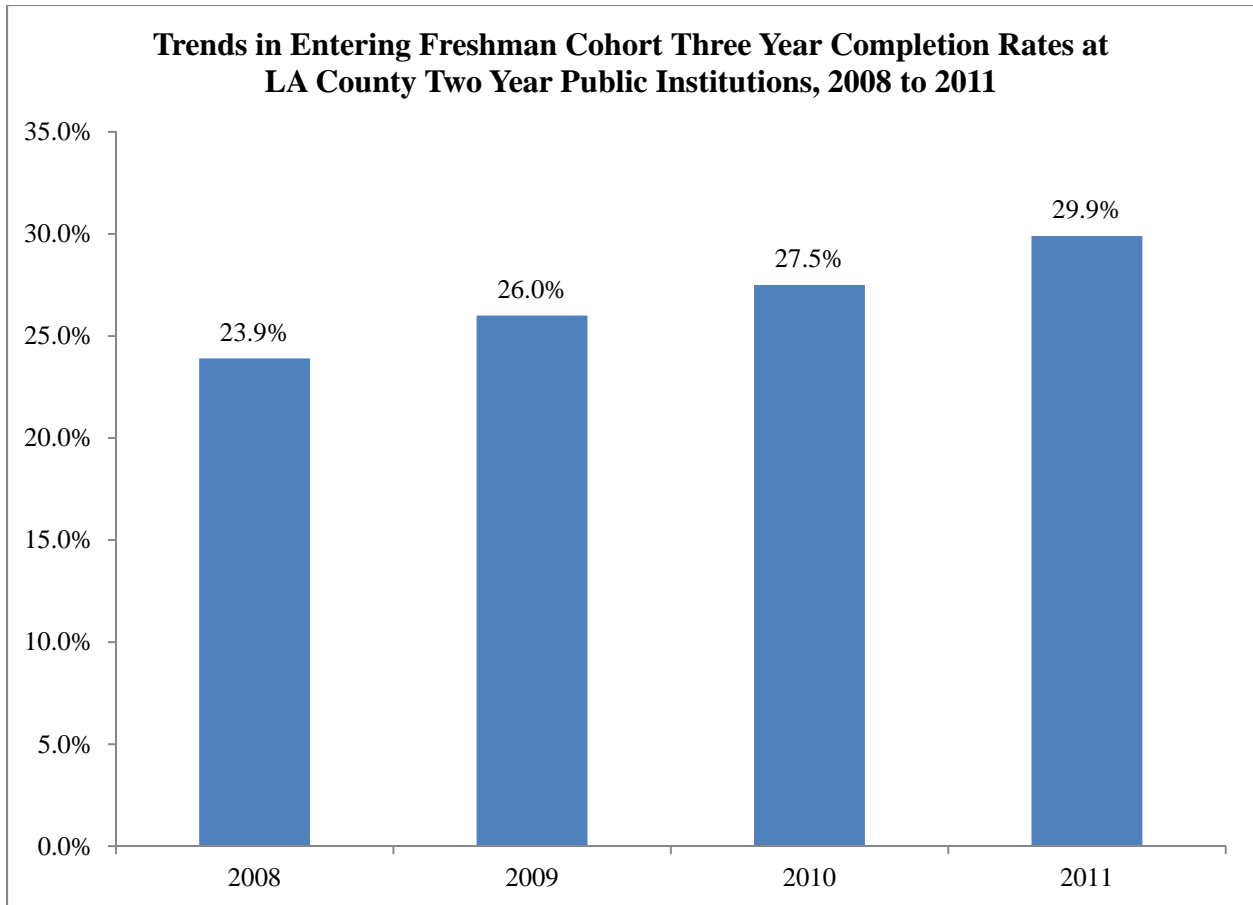
The cohort completion rate for LA County two-year public colleges has increased over the past few years, rising from 24 percent for the 2008 cohort to 30 percent for the 2011 cohort, representing a relative improvement in the cohort graduation rate of 25 percent. Gains in cohort completion rates are difficult to achieve especially in the context of a sharp increase in the size of the entering freshman cohort that we have observed in LA County two-year schools. These gains suggest an expanded capacity in LA County two-year public educational institutions to foster completion of degree and certificate programs.

Our research has shown that college enrollment by itself does little to bolster the earnings of individuals. Earnings pay-offs to college are largely associated with earning a degree or certificate.<sup>5</sup> Those who attend college but do not earn a credential find little gain from their college experience in the job market. The gains to post-secondary completion for young adults in Los Angeles are explored below.

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<sup>4</sup> Ibid

<sup>5</sup> Neeta Fogg, Paul Harrington and Ishwar Khatiwada, *The Impact of Cognitive Ability, Educational Attainment and Work Experiences of American Workers: Findings from the PIAAC Survey of Adult Skills*, Educational Testing Service, forthcoming



Source: National Center for Education Statistics, U. S. Department of Education, Integrated Post-Secondary Data Systems (IPEDS), Tabulation by Center for Labor Markets and Policy, Drexel University, Philadelphia.

### **Considerable Job Market Gains to Post Secondary Degrees in Los Angeles**

The sharp rise in school enrollment rates we have observed in Los Angeles are partially the product of the large job market advantages in the Metro Los Angeles labor market that are associated with the award of a post-secondary credential. Earning a degree or certificate increases the chance that a young adult in Los Angeles will find a job as well as increasing their level of pay when employed. Students who complete a college program of study, at the certificate, associates, or bachelor's degree levels have substantially better employment and earnings experiences than those who do not. Merely enrolling and taking some courses in a postsecondary educational institution does not appear to have much impact on the employment and earnings experiences of young adults in the Metro LA labor market. In contrast, the award of

a certificate or degree yields substantial employment and earnings advantages for young people who reside in the region.<sup>6</sup>

We examine three basic measures of labor market outcomes for young adults aged 20-29 including the employment-to-population ratio, the labor force underutilization rate, and mean weekly earnings by the level of educational attainment to illustrate the job market gains to higher levels of educational attainment in the Los Angeles labor market.

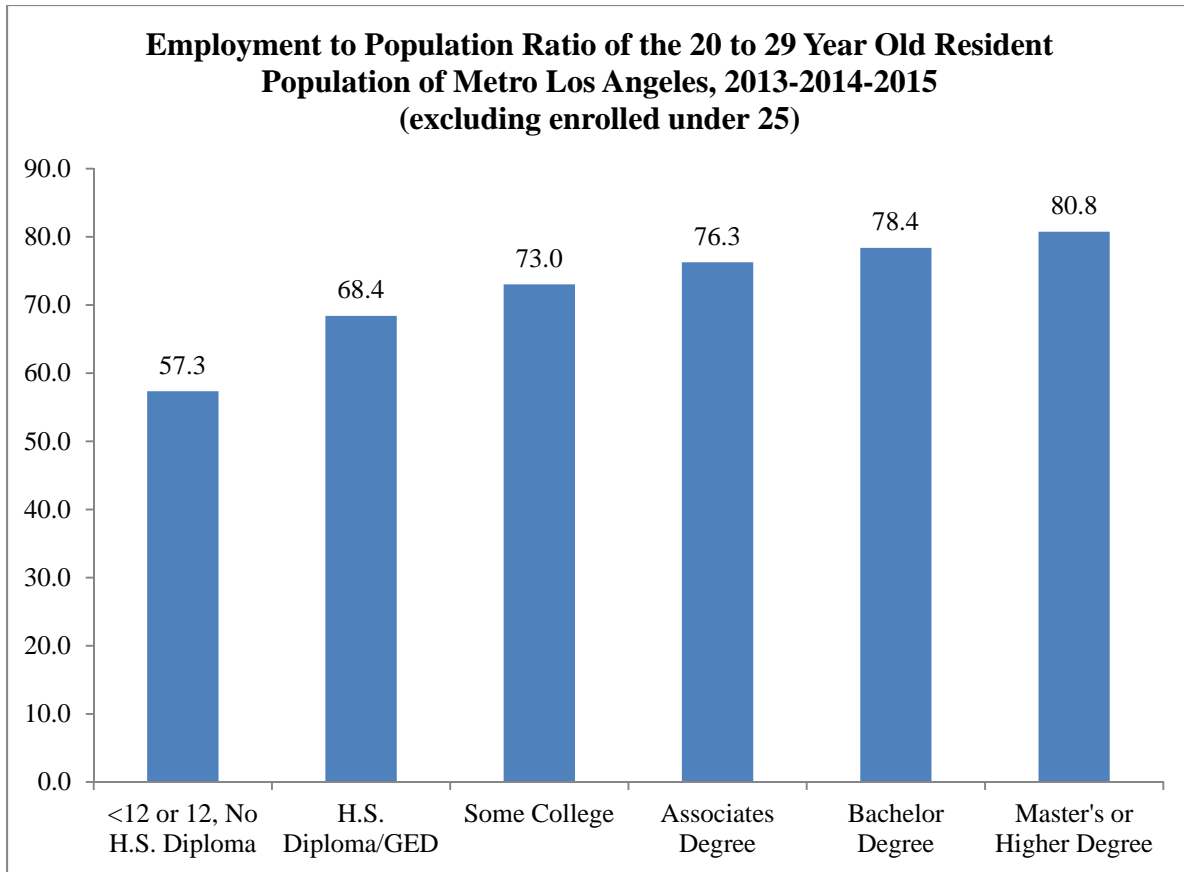
Employment-to-Population Ratio: The chance of employment in the Greater Los Angeles labor market is closely associated with the level of educational attainment achieved by young adults aged 20 to 29. The data in the chart below examine the employment to population ratio for persons aged 20 to 24 who are not enrolled as well as persons aged 25 to 29 regardless of their enrollment status, by their current level of educational attainment. We exclude enrolled persons under the age of 25 since we assume the primary activity of these individuals is schooling and not work. The employment-to-population ratio is a measure of the proportion of individuals in a given population group who are employed at a point in time. Individuals are counted as employed if they work for one hour for pay or profit during the reference week of the household survey.<sup>7</sup>

Our analysis of the 2013-2015 Current Population Survey data for the metropolitan Los Angeles area found considerable variability in the employment to population ratio across levels of educational attainment among young adult residents in the region. Just 57 out of 100 resident high school dropouts aged 20 to 29 were working at any point in time, while those with a high school diploma, but no college, had an employment-to-population ratio of 68.4 percent, a 20 percent relative advantage in the likelihood of working compared to dropouts. Those young adult Metro LA residents with some college (this category includes persons who earned a post-secondary certificate, as well as those who enrolled in college, but not awarded a degree or certificate) had an employment rate of 73.0 percent while 76.3 percent of those who earned an associate's degree were employed.

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<sup>6</sup> This issue is discussed in greater detail in the companion paper; *The Human Capital Investment Gap: Understanding the Diminished Prospects of Disconnected Youth in Los Angeles*, Center for Labor Markets and Policy, Drexel University, July 2016

<sup>7</sup> There are a few other elements to the employment definition. For a complete discussion see: "Labor Force Data Derived from the Current Population Survey", *Handbook of Methods*, U.S. Bureau of Labor Statistics

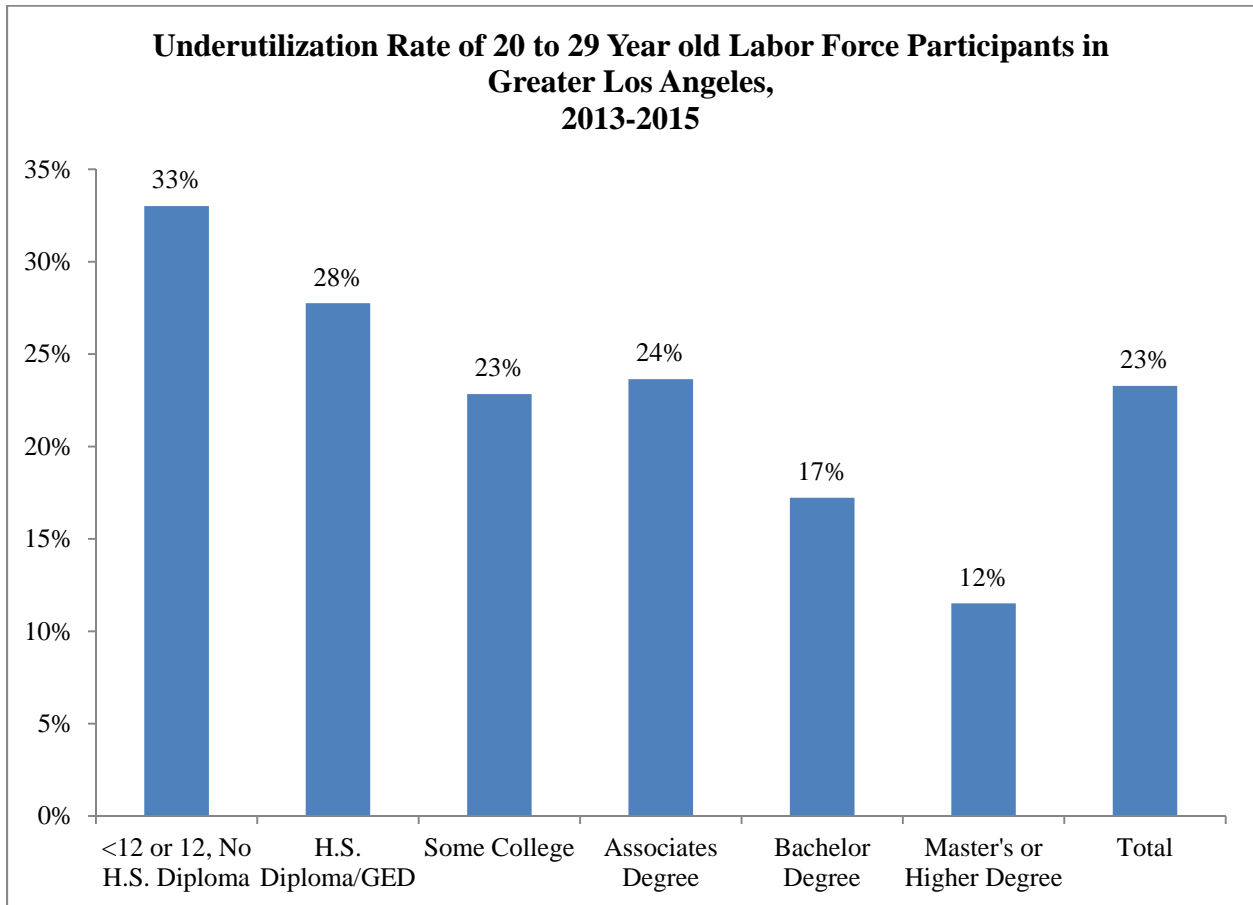


Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

Employment rates are higher still for those young adults who earned a bachelor's degree or higher. The employment rate for those with a bachelor's degree is 78.4 percent, a 15 percent advantage in the likelihood of employment compared to young adults with a high school diploma only. The employment rate for young adults with a master's degree or higher level of education stood at 80.8 percent.

**Labor Force Underutilization:** Labor market problems including unemployment, involuntary part-time employment, and labor force withdrawal are also associated with the level of educational attainment among metropolitan Los Angeles residents aged 20 to 29. The underutilization rate serves as a measure of the combined labor market problems of young people in Los Angeles. Our measure of underutilization in Metro LA indicates that nearly one in four residents aged 20 to 29 were either unemployed, working part-time involuntarily (wanting a full time job), or had withdrawn from active participation in the labor market (essentially stopped

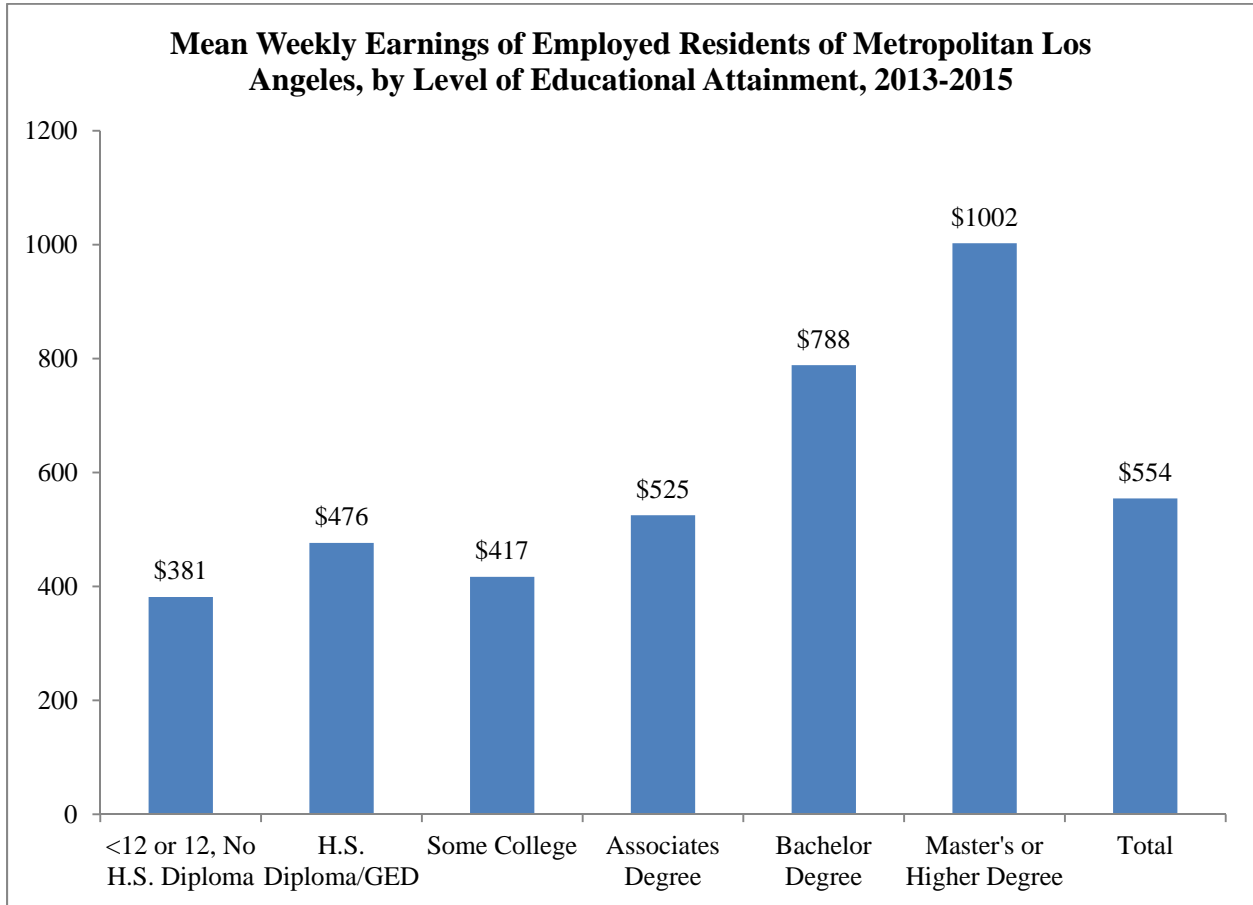
looking for work) but would like to have a job. The data reveal high levels of underutilization of young people throughout the region in recent years, but that the degree of underutilization falls as the level of educational attainment rises.



Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

Mean Weekly Earnings: The weekly earnings of young adults in the Greater Los Angeles region are also heavily influenced by their level of educational attainment. Weekly earnings for employed 20- to 29-year-old residents of the metropolitan Los Angeles region averaged \$554 during the 2013-2015 period. However, pay rates varied sharply by level of education. Employed high school dropouts earned \$381 per week, about 20 percent less than the earnings of those with a high school diploma. In contrast, employed young adults with an associate’s degree had weekly earnings of \$525, a 10 percent weekly earnings advantage. The weekly earnings of those with a bachelor’s degree averaged \$788 per month - about 66 percent more than the weekly average earnings of high school graduates. Those young adults with a master’s degree or greater had

mean weekly earnings during 2013-2015 that were more than double the weekly earnings of their counterparts with just a high school diploma.



Source: U.S. Bureau of the Census, Current Population Survey, Public Use Microdata Sample, various years, tabulations by the Center for Labor Markets and Policy, Drexel University, Philadelphia.

## Summary and Key Findings

Access to post-secondary education among teens and young adults has expanded considerably in Los Angeles over the past fifteen years and this development has been important in reducing the share of teens and young adults who are disconnected from human capital building activities of school and work during the teen and young adult years. The share of LA teens and young adults who are enrolled in school rose considerably over the past fifteen years. This rise in school enrollment was disproportionately concentrated among males, those aged 20 to 24 and the foreign born. The fraction of teens and young adult residents in LA that were not currently enrolled in school and had not completed a high school diploma or equivalent course of

study (dropouts) fell sharply. Once again, this reduction was very heavily concentrated among the 20- to 24-year-old male and foreign born residents.

We suspect that most of this improvement in school enrollment rates is the product of rising post-secondary enrollment levels in the region - especially in two-year public colleges. We examined administrative data on enrollment trends for first-time full-time degree/certificate students, a group we refer to as the 'entering freshman cohort'. We found sharp increases in the number of students in the entering freshman cohort within LA County colleges and universities. The rise in postsecondary enrollment levels and rates is in part the product of substantial labor market advantages for young adults who have earned postsecondary credentials. Better chances of becoming employed, higher weekly wages, and reduced risk of labor force underutilization are all advantages associated with higher levels of educational attainment in the Los Angeles labor market.

Rising school enrollment rates, in part the product of labor market gains to schooling, have helped bolster the level of human capital investment among teens and young adults in Los Angeles. Gains in enrollment rates have been a key reason why the share of disconnected youth has declined over the past fifteen years.